

YONGMAO HOLDINGS LIMITED
(Company Registration No.200510649K)

UNAUDITED FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

The initial public offering of Yongmao Holdings Limited's ("the Company") shares was sponsored by CIMB-GK Securities Pte. Ltd. This announcement has been prepared and released by the company.

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1,Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group Income Statement for the period/year ended 31 March 2009. These figures have not been audited.

	Group (Fourth Quarter)			Group (Full Year)		
	RMB'000		%	RMB'000		%
	3 months ended 31 Mar 2009 (Q4 FY2009)	3 months ended 31 Mar 2008 (Q4 FY2008)	Increase/ (Decrease)	12 months ended 31 Mar 2009 (FY2009)	12 months ended 31 Mar 2008 (FY2008)	Increase/ (Decrease)
Revenue	69,497	189,560	(63.3)	594,467	652,832	(8.9)
Cost of sales	(63,597)	(121,368)	(47.6)	(413,582)	(410,665)	0.7
Gross profit	5,900	68,192	(91.3)	180,885	242,167	(25.3)
Other operating income	63	314	(79.9)	2,364	2,775	(14.8)
Administrative expenses	(14,856)	(14,363)	3.4	(39,988)	(35,828)	11.6
Distribution costs	(10,024)	(20,478)	(51.0)	(75,752)	(72,482)	4.5
Other operating expenses	(65)	(894)	(92.7)	(7,062)	(2,668)	164.7
Share issue costs	-	(7,495)	NM	-	(7,495)	NM
Finance costs	(1,081)	-	NM	(3,769)	(5)	NM
Total operating expenses	(26,026)	(43,230)	(39.8)	(126,571)	(118,478)	6.8
(Loss)/profit before taxation	(20,063)	25,276	NM	56,678	126,464	(55.2)
Taxation	90	(3,973)	NM	(9,727)	(3,973)	144.8
Net (loss)/profit for the period/year	(19,973)	21,303	NM	46,951	122,491	(61.7)
Attributable to:						
Shareholders of the Company	(19,487)	21,303	NM	47,532	122,491	(61.2)
Minority interests	(486)	-	NM	(581)	-	NM
	(19,973)	21,303	NM	46,951	122,491	(61.7)

NM: Not Meaningful

Note:

The Group (loss)/profit before taxation is arrived at after charging / (crediting):

	Group (Fourth Quarter)			Group (Full Year)		
	RMB'000		%	RMB'000		%
	3 months ended 31 Mar 2009 (Q4 FY2009)	3 months ended 31 Mar 2008 (Q4 FY2008)	Increase/ (Decrease)	12 months ended 31 Mar 2009 (FY2009)	12 months ended 31 Mar 2008 (FY2008)	Increase
Amortisation of intangible assets	302	315	(4.1)	1,261	1,210	4.2
Depreciation of property, plant and equipment	2,892	1,495	93.4	7,631	4,761	60.3
Exchange (gain)/loss	(42)	815	NM	4,087	2,232	83.1
Loss/(gain) on disposal of property, plant and equipment	148	-	NM	66	(81)	NM
Operating lease rentals	4,086	1,526	167.8	10,875	4,526	140.3
Interest income	(166)	(349)	(52.4)	(1,796)	(995)	80.5
Interest expense	1,081	-	NM	3,769	5	NM
Share issue costs	-	7,495	NM	-	7,495	NM

NM: Not Meaningful

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	31 March 2009	31 March 2008	31 March 2009	31 March 2008
	RMB'000	RMB'000	RMB'000	RMB'000
ASSETS				
Non-current				
Property, plant and equipment	247,228	178,428	16	18
Intangible assets	3,778	5,039	-	-
Investment in subsidiaries	-	-	252,296	249,806
Goodwill	23,337	-	-	-
	274,343	183,467	252,312	249,824
Current				
Inventories	251,146	105,635	-	-
Trade and other receivables	102,632	49,359	616	12
Available-for-sale financial assets	5,792	-	-	-
Amounts owing by related parties	33,659	180,045	-	-
Amounts owing by corporate shareholders of subsidiaries	8,179	-	-	-
Dividend receivables	-	-	-	25,000
Amount owing by subsidiary (non-trade)	-	-	5,677	6,481
Cash and cash equivalents	106,748	200,278	45,376	63,410
	508,156	535,317	51,669	94,903
TOTAL ASSETS	782,499	718,784	303,981	344,727
EQUITY				
Capital and Reserves				
Share capital	312,484	312,484	312,484	312,484
Reserves	150,945	132,713	(11,322)	25,630
Equity attributable to equity holders of the Company	463,429	445,197	301,162	338,114
Minority interests	25,249	-	-	-
TOTAL EQUITY	488,678	445,197	301,162	338,114
LIABILITIES				
Non Current				
Bank borrowings	50,000	-	-	-
Deferred tax liabilities	1,546	-	-	-
Trade and other payables	42,602	-	-	-
	94,148	-	-	-
Current				
Trade and other payables	139,636	124,769	2,819	1,537
Amounts owing to related parties	29,712	139,769	-	-
Amounts owing to corporate shareholders of subsidiaries	30,205	-	-	-
Tax payable	120	3,973	-	-
Dividend payable	-	5,076	-	5,076
	199,673	273,587	2,819	6,613
TOTAL EQUITY AND LIABILITIES	782,499	718,784	303,981	344,727

* Certain comparative figures have been reclassified to conform with current year's presentation.

1(b)(ii) Aggregate amount of group's borrowings and debt securities.**Amount repayable in one year or less, or on demand**

As at 31 March 2009		As at 31 March 2008	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
-	-	-	-

Amount repayable after one year

As at 31 March 2009		As at 31 March 2008	
Secured	Unsecured ⁽¹⁾	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
50,000	47,238	-	-

Details of any collateral

The RMB50.0 million bank borrowing is secured by certain leasehold buildings and land use rights from a Director related company, Fushun Yongmao Engineering Machinery Co., Ltd.

The increase in bank borrowings is for the purpose of increasing the working capital of the Group and for the funding of acquisitions of the Group.

Note (1):

The unsecured loans include the following:

- a) RMB21.8 million, of which RMB18.4 million was interest-bearing, was from a corporate shareholder to Beijing Yongmao Jiangong Machinery Manufacturing Co., Ltd ("Beijing Yongmao") for the purpose of increasing the working capital of Beijing Yongmao.
- b) RMB8.7 million, interest-free, was from a related company of a corporate shareholder to Beijing Yongmao for the purpose of increasing the working capital of Beijing Yongmao.
- c) RMB6.7 million, interest-free, was from a related party to Beijing Yongmao for the purpose of increasing the working capital of Beijing Yongmao.
- d) RMB10.0 million, interest-free, was from a related party to Fushun Yongmao Construction Machinery Co., Ltd ("Fushun Yongmao") for the purpose of increasing the working capital of Beijing Yongmao.

The above balances are recorded in current liabilities.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group (Fourth Quarter)		Group (Full Year)	
	RMB'000		RMB'000	
	3 months ended 31 Mar 2009 (Q4 FY2009)	3 months ended 31 Mar 2008 (Q4 FY2008)	12 months ended 31 Mar 2009 (FY2009)	12 months ended 31 Mar 2008 (FY2008)
Cash flow from operating activities				
(Loss)/profit before taxation	(20,063)	25,276	56,678	126,464
Adjustments for:				
Amortisation of intangible assets	302	315	1,261	1,210
Depreciation of property, plant and equipment	2,892	1,495	7,631	4,761
Gain on disposal of property, plant and equipment	148	-	66	(81)
Interest expense	1,081	-	3,769	5
Interest income	(166)	(349)	(1,796)	(995)
Operating (loss)/profit before working capital changes	(15,806)	26,737	67,609	131,364
Decrease/(increase) in inventories	11,630	(25,790)	(58,076)	(49,014)
Decrease/(increase) in operating receivables	71,455	(22,198)	167,708	(156,232)
(Decrease)/increase in operating payables	(49,500)	61,662	(191,778)	166,148
Cash generated from/(used in) operations	17,779	40,411	(14,537)	92,266
Interest paid	(731)	-	(3,419)	(10)
Tax paid	(546)	-	(13,664)	-
Net cash generated from/(used in) operating activities	16,502	40,411	(31,620)	92,256
Cash flow from investing activities				
Cash outflow on acquisition of subsidiary (Note A)	(46,726)	-	(46,726)	-
Acquisition of property, plant and equipment	(2,779)	(86,166)	(53,696)	(168,417)
Acquisition of intangible assets	-	-	-	(1,000)
Proceeds from disposal of property, plant and equipment	88	-	403	391
Proceeds from sale of available-for-sale financial assets	1,687	-	1,687	23,000
Deposits paid for purchase of flats	(2,000)	-	(2,000)	(5,479)
Interest received	173	342	1,803	988
Net cash used in investing activities	(49,557)	(85,824)	(98,529)	(150,517)
Cash flow from financing activities				
Issue of shares	-	198,185	-	198,185
Bank borrowings obtained/(repaid)	-	-	50,000	(13,500)
Capital injection by minority interest	-	-	6,000	-
Share issue costs	-	(7,583)	-	(7,583)
Dividends paid	-	-	(27,375)	(17,500)
Repayment from related parties (non-trade)	-	-	-	52,342
Advances from/(repayment to) related parties (non-trade)	16,660	-	16,660	(2,458)
Repayment to a director (non-trade)	-	-	-	(1,500)
Net cash generated from financing activities	16,660	190,602	45,285	207,986
Net (decrease)/increase in cash and cash equivalents	(16,395)	145,189	(84,864)	149,725
Cash and cash equivalents at beginning of period/year	127,342	55,439	200,278	50,296
Exchange adjustments	(4,199)	(350)	(8,666)	257
Cash and cash equivalents at end of period/year	106,748	200,278	106,748	200,278

* Certain comparative figures have been reclassified to conform with current year's presentation.

	Group	
	RMB'000	
	31 Mar 2009	31 Mar 2008
<u>Analysis of cash and cash equivalents</u>		
Cash on hand	3,013	109
Bank balances	59,046	142,253
Fixed deposits	44,689	57,916
	106,748	200,278

Note A. Acquisition of a subsidiary

The Group acquired a subsidiary, Beijing Yongmao Jiangong Machinery Manufacturing Co., Ltd ("Beijing Yongmao") during the financial year. The fair value of assets acquired and liabilities assumed were as follows:

	Carrying amounts in acquiree's books	At fair value
	RMB'000	RMB'000
Identifiable assets and liabilities		
Property, plant and equipment	17,055	23,577
Inventories	87,435	87,435
Trade and other receivables	40,103	40,103
Amount owing by related parties	40,340	40,340
Amount owing to corporate shareholder of subsidiary	6,394	6,394
Cash and cash equivalents	5,104	5,104
Total assets	196,431	202,953
Trade and other payables	(102,479)	(102,479)
Amount owing to related parties	(12,621)	(12,621)
Amount owing to corporate shareholder of subsidiary	(27,900)	(27,900)
Deferred tax liabilities	-	(1,630)
Total liabilities	(143,000)	(144,630)
Identifiable net assets	53,431	58,323
Less: Minority interests		(19,830)
Identifiable net assets acquired		38,493
Goodwill		23,337
Consideration for acquisition of 66% equity interest		61,830
Less: Deferred cash settlement		(10,000)
Less: Cash and cash equivalents in subsidiary acquired		(5,104)
Net cash outflow on acquisition		46,726

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group	Share capital	Merger Reserve	Retained profit	Statutory common reserve	Exchange fluctuation reserve	Sub-total	Minority interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Current year:								
Balance as at								
1 April 2008	312,484	(26,769)	139,295	18,880	1,307	445,197	-	445,197
Translation differences	-	-	-	-	(4,642)	(4,642)	-	(4,642)
Net profit/(loss) for the period	-	-	67,019	-	-	67,019	(95)	66,924
Transfer to statutory common reserve	-	-	(7,094)	7,094	-	-	-	-
Incorporation of a subsidiary	-	-	-	-	-	-	6,000	6,000
Dividends	-	-	(22,299)	-	-	(22,299)	-	(22,299)
Balance as at 31 Dec 2008	312,484	(26,769)	176,921	25,974	(3,335)	485,275	5,905	491,180
Translation differences	-	-	-	-	(2,359)	(2,359)	-	(2,359)
Net loss for the period	-	-	(19,487)	-	-	(19,487)	(486)	(19,973)
Acquisition of a subsidiary	-	-	-	-	-	-	19,830	19,830
Transfer to statutory common reserve	-	-	(250)	250	-	-	-	-
Balance as at 31 Mar 2009	312,484	(26,769)	157,184	26,224	(5,694)	463,429	25,249	488,678

Group	Share capital	Merger Reserve	Retained profit	Statutory common reserve	Exchange fluctuation reserve	Sub-total	Minority interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Previous year:								
Balance as at								
1 April 2007	83,507	-	52,625	5,612	43	141,787	-	141,787
Issuance of new shares arising from capitalising of indebtedness	11,606	-	-	-	-	11,606	-	11,606
Conversion of convertible loan to share capital	93,310	-	-	-	-	93,310	-	93,310
Merger reserve arising from the Restructuring Exercise	-	(26,769)	-	-	-	(26,769)	-	(26,769)
Deemed distribution to the then equity owners pursuant to the Restructuring Exercise	(66,541)	-	-	-	-	(66,541)	-	(66,541)
Translation differences	-	-	-	-	1,207	1,207	-	1,207
Net profit for the period	-	-	101,188	-	-	101,188	-	101,188
Transfer to statutory common reserves	-	-	(10,731)	10,731	-	-	-	-
2007 dividends declared to the then shareholders prior the Restructuring Exercise	-	-	(17,500)	-	-	(17,500)	-	(17,500)
Dividends	-	-	(5,053)	-	-	(5,053)	-	(5,053)
Balance as at 31 Dec 2007	121,882	(26,769)	120,529	16,343	1,250	233,235	-	233,235
Issue of shares arising from application monies	198,185	-	-	-	-	198,185	-	198,185
Share issue costs	(7,583)	-	-	-	-	(7,583)	-	(7,583)
Translation differences	-	-	-	-	57	57	-	57
Net profit for the period	-	-	21,303	-	-	21,303	-	21,303
Transfer to statutory common reserve	-	-	(2,537)	2,537	-	-	-	-
Balance as at 31 Mar 2008	312,484	(26,769)	139,295	18,880	1,307	445,197	-	445,197

Company	Share capital	Retained profit/ (Accumulated loss)	Statutory common reserve	Exchange fluctuation reserve	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Current year					
Balance as at 1 April 2008	312,484	24,319	-	1,311	338,114
Translation differences	-	-	-	(4,230)	(4,230)
Net loss for the period	-	(3,598)	-	-	(3,598)
Dividends	-	(22,299)	-	-	(22,299)
Balance as at 31 Dec 2008	312,484	(1,578)	-	(2,919)	307,987
Translation differences	-	-	-	(3,311)	(3,311)
Net loss for the period	-	(3,514)	-	-	(3,514)
Balance as at 31 Mar 2009	312,484	(5,092)	-	(6,230)	301,162
Previous year					
Balance as at 1 April 2007	16,966	(144)	-	(3)	16,819
Issuance of new shares arising from capitalising of indebtedness	11,606	-	-	-	11,606
Conversion of convertible loan to share capital	93,310	-	-	-	93,310
Translation differences	-	-	-	1,063	1,063
Net profit for the period	-	7,374	-	-	7,374
Dividends	-	(5,053)	-	-	(5,053)
Balance as at 31 Dec 2007	121,882	2,177	-	1,060	125,119
Issue of shares arising from application monies	198,185	-	-	-	198,185
Share issue costs	(7,583)	-	-	-	(7,583)
Translation differences	-	-	-	251	251
Net profit for the period	-	22,142	-	-	22,142
Balance as at 31 Mar 2008	312,484	24,319	-	1,311	338,114

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There were no changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since 31 March 2008. As at 31 March 2009, the total issued share capital of the Company, excluding treasury shares is 443,750,000.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the end of the current financial period and as at the end of the immediately preceding year.**

	31 March 2009	31 March 2008
Total number of issued shares (excluding treasury shares)	443,750,000	443,750,000

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has applied the same accounting policies and methods of computation in the Group's financial statements for the current reporting period and the previous financial year.

The Group has adopted the new Financial Reporting Standards ("FRS") and Interpretations to FRS ("INT FRS") that are applicable to its operations and effective for annual period beginning on or after 1 April 2008. The adoption of the new FRS and the INT FRS did not have a material effect on the financial statements of the Group and of the Company.

- 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Please refer to Para 4 above.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group (Fourth Quarter)		Group (Full Year)	
	RMB'000		RMB'000	
	3 months ended	3 months ended	12 months ended	12 months ended
	31 Mar 2009	31 Mar 2008	31 Mar 2009	31 Mar 2008
	(Q4 FY2009)	(Q4 FY2008)	(FY2009)	(FY2008)
Earnings of the Group, after deducting any provision for preference dividends (in RMB'000):	(19,487)	21,303	47,532	122,491
Weighted average no. of shares used in computation of basic earning per shares	443,750,000	380,538,333	443,750,000	379,614,384
Earnings per share (in cents RMB)				
(a) Based on weighted average number of ordinary shares on issue	(4.39)	5.60	10.71	32.27
(b) On a fully diluted basis	(4.39)	5.60	10.71	32.27

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	31 March 2009	31 March 2008	31 March 2009	31 March 2008
Net asset value per ordinary share (RMB cents)	104.43	100.33	67.87	76.19

Net asset value per share for the Group and Company for 31 March 2008 and 31 March 2009 has been computed based on shareholder's equity as at the respective dates and the number of shares of 443,750,000 ordinary shares.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

REVIEW OF INCOME STATEMENT OF THE GROUP

Fourth Quarter FY2009 ("Q4 FY 2009") vs Fourth Quarter FY2008 ("Q4 FY 2008")

Revenue

Group revenue decreased 63.3% to RMB69.5 million in Q4 FY2009 as compared with RMB189.6 million in Q4 FY2008 mainly due to lower export sales as the impact of the deteriorating global economy and financial condition continued to affect the demand of our products. Export sales to USA, Europe, Middle East and Asia (outside PRC) and others declined by 87.2% as compared to Q4 FY2008. Sales in the PRC also declined by 23.1% as compared to Q4 FY2008 mainly due to shorter January working month in Q4 FY2009. Our new subsidiaries in Beijing and Wuxi also contributed to our revenue in Q4 FY2009.

Overall, domestic PRC sales formed 78.0% of revenue in Q4 FY2009, up from 37.2% in Q4 FY2008, as the Group focused its sales attention on the PRC market.

Gross profit and gross profit margin

Gross profit reduced to RMB5.9 million in Q4 FY2009 from RMB68.2 million in Q4 FY2008. The decline was due to both lower revenue and gross profit margin.

Average gross profit margin decreased to 8.5% in Q4 FY2009 from 36.0% in Q4 FY2008. The decline was caused by the higher average cost of our steel material and higher per unit cost of towercranes as a result of lower production volume in Q4 FY2009. Average selling price of towercranes was also lower due to price competition.

Other operating income

Other operating income declined by RMB0.3 million in Q4 FY2009 mainly due to higher interest income earned in Q4 FY2008 from the proceeds from the Initial Public Offering of the Company.

Operating expenses

Total operating expenses decreased to RMB26.0 million in Q4 FY2009 mainly due to lower distribution costs and the absence of share issue costs.

Distribution costs decreased to RMB10.0 million in Q4 FY2009 as freight and transportation cost incurred was lower due to lower export sales. The decline was partly offset by higher factory rental.

Administrative expenses increased to RMB14.9 million in Q4 FY2009 mainly due to higher corporate expenses as a listed Company and inclusion of administrative expenses of newly acquired subsidiary, Beijing Yongmao Jiangong Machinery Manufacturing Co., Ltd ("Beijing Yongmao"). These were offset partly by lower bonus in Q4 FY2009.

Other operating expenses (mainly exchange differences) decreased by RMB0.8 million in Q4 FY2009 mainly due to foreign exchange losses incurred in Q4FY2008 as a result of strengthening of Renminbi against the US dollar and Euro then. Foreign currency exposure reduces due to lower export sales in Q4 FY2009.

Share issue cost of RMB7.5 million was taken to income statement in Q4 FY2008 when the Company was listed in February 2008. There was no such cost in Q4 FY2009.

Finance cost of RMB1.1 million in Q4 FY2009 was due to a drawdown of RMB50.0 million bank loan in April 2008.

Taxation

Income tax expense was reduced by RMB4.1 million in Q4 FY2009 in line with the loss incurred by the Group.

(Loss)/profit before tax and Net (loss)/profit attributable to shareholders

Profit before tax decreased by RMB45.3 million to a loss of RMB20.1 million in Q4 FY2009 and net profit attributable to shareholders decreased by RMB40.8 million in Q4 FY2008 to a loss of RMB19.5 million in Q4 FY2009. This was mainly due to lower revenue and lower gross profit margin.

FY2009 vs FY2008**Revenue**

Group revenue decreased 8.9% to RMB594.5 million in FY2009 as compared with RMB652.8 million in FY2008 mainly due to lower sales volume in the USA, Europe and Middle East markets. These markets were affected by the deteriorating global economy. Nevertheless, the decline in export revenue was mitigated by an improvement in PRC as the Group focused its marketing effort on the domestic PRC market. Our new subsidiaries in Beijing and Wuxi also contributed to our revenue in Q4FY2009.

Overall, domestic PRC sales increased from RMB163.2 million (comprising 25.0% of revenue) in FY2008 to RMB230.2 million (38.7% of revenue) in FY2009.

Gross profit and gross profit margin

Gross profit reduced to RMB180.9 million in FY2009 from RMB242.2 million in FY2008. The decline was due to both lower sales and gross profit margin.

Average gross profit margin decreased to 30.4% in FY2009 from 37.1% in FY2008. This decrease was mainly due to the increase in sales of lower margin ST series towercranes and higher average cost of steel materials. In addition, the Group's profit margin is also adversely affected by higher per unit cost of towercranes as a result of lower average selling price of towercranes due to price competition in Q4 FY2009.

Other operating income

Other operating income decreased slightly to RMB2.4 million in FY2009 mainly due to lower government grant received offset by higher interest income from proceeds from the Initial Public Offering of the Company.

Total operating expenses

Total operating expenses rose to RMB126.6 million in FY2009 reflecting increases in distribution, administrative, other operating expenses and finance costs, but offset by absence of share issue costs in FY2009.

Distribution costs increased slightly to RMB75.8 million in FY2009. This was mainly due to higher factory rental and sales service expenses due to higher PRC sales partly offset by lower freight and transportation cost due to a fall in export sales.

Administrative expenses increased to RMB40.0 million in FY2009, reflecting higher corporate expenses as a listed Company and inclusion of administrative expenses of Beijing Yongmao which was acquired in Q4 FY2009. These were offset partly by lower bonus in FY2009.

Other operating expenses increased to RMB7.0 million in FY2009, mainly due to the donation of RMB2.6 million to the relief efforts in relation to the Szechuan earthquake and foreign exchange losses arising from the weakening of US\$ dollar and Euro against RMB.

Share issue cost of RMB7.5 million was taken to income statement in FY2008 when the Company was listed in February 2008. There was no such cost in FY2009.

Finance cost of RMB3.8 million in FY2009 was due to a drawdown of RMB50.0 million bank loan in April 2008.

Taxation

Income tax expense amounted to RMB9.7 million in FY2009 as profit derived from the main operating subsidiary in Fushun, the PRC, was 50% tax exempt commencing from 1 January 2008 (Q4 FY2008). Up to Q3 FY2008, there was no tax charge as the operating subsidiary was tax exempted for two years in calendar year 2006 and 2007.

Profit before tax and Net Profit attributable to shareholders

Profit before tax decreased by 55.2% to RMB56.7 million in FY2009 mainly due to lower gross profit margin and higher operating expenses. Lower profit before tax, as well as, a maiden tax charge upon the expiry of tax exempt status led to a 61.2% decline in net profit attributable to shareholders from RMB122.5 million in FY2008 to RMB47.5 million in FY2009.

REVIEW OF FINANCIAL POSITION OF THE GROUP

Non-current Assets

Non-current assets increased by RMB90.9 million to RMB274.3 million as at 31 March 2009 mainly due to progress payment relating to the construction of the new factory in Fushun City, inclusion of property, plant and equipment of Beijing Yongmao, and goodwill on consolidation of Beijing Yongmao.

Current Assets

Current assets decreased by RMB27.2 million to RMB508.2 million as at 31 March 2009 mainly due to a reduction in trade debts by related parties and a decline in cash and cash equivalents arising from the payment of dividends, payment for the construction of the new factory and acquisition of Beijing Yongmao.

This decrease in current assets was partly offset by:

- a) an increase in inventory of RMB145.5 million, of which RMB91.8 million was from the inclusion of inventory in Beijing Yongmao; and
- b) an increase in trade receivables due to higher credit sales within the PRC and the inclusion of trade receivables in Beijing Yongmao.

Non-current Liabilities

Bank borrowings refer to a 3-year term bank loan of RMB50.0 million taken during the period for working capital and for financing acquisition activities of the Group.

Deferred tax liabilities arose from the acquisition of Beijing Yongmao. Non-current trade and other payables relate to a defined benefit plan obligation sponsored by Beijing Yongmao.

Current Liabilities

Current liabilities decreased by RMB73.9 million to RMB199.7 million as at 31 March 2009 mainly due to the payment of trade debts to related parties. Trade and other payables and amounts owing to corporate shareholders of subsidiaries increased mainly due to the inclusion of balances of Wuxi Yongmao and Beijing Yongmao.

Shareholders' Equity

As at 31 March 2009, shareholders' equity amounted to RMB463.4 million. The increase in shareholders' equity was mainly due to net profit for FY2009.

REVIEW OF CASHFLOW STATEMENT

The Group reported a net decrease in cash and cash equivalents amounting to RMB16.4 million in Q4 FY2009 and RMB84.9 million in FY2009 mainly due to:

- a) Net cash generated from operating activities in Q4 FY2009 of RMB16.5 million was mainly from lower net operating receivables as a result of reduction in trade debts by related parties and lower inventory offset by operating loss before working capital changes for the financial period;

Net cash used in operating activities for FY2009 of RMB31.6 million was mainly due to higher inventory as a result of slower sales and net decrease in operating payables for payment of trade debts to related parties and higher tax paid in FY2009. This is offset slightly by net decrease in operating receivables for collection of trade debts from related parties;

- b) Net cash used in investing activities from acquisition of Beijing Yongmao, the progress payments in relation to the construction of the Group's new factory and purchase of property, plant and equipment in Wuxi; and
- c) Net cash generated from financing activities in FY2009 from bank borrowings of RMB50.0 million obtained and advances from a related party, partly offset by dividends of RMB27.4 million (S\$5.4 million) paid in 1H FY2009.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The results are in line with the prospects statements made in paragraph 10 of the results announcement for the 3rd quarter ended 31 December 2008.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The current financial and economic crisis continues to take its toll on the global construction industry and this has significantly affected the demand for our products especially in markets such as the USA, Europe and Middle East. We expect challenging business environment in our principal export markets going forward and this is likely to affect our export sales for the current financial year.

Notwithstanding, the Group believes that the PRC Government's RMB4 trillion financial stimulus package announced in November last year is likely to contribute to the growth of the PRC economy and increase the demand for construction equipment including towercranes in the PRC. To tap into this opportunity, the Group intends to channel its efforts and resources to the domestic PRC market to participate in the various infrastructure projects including the development of road and railway transportation networks, nuclear power plants and shipyards.

The Group's 45% joint venture with Tat Hong Holdings Ltd ("Tat Hong") in the PRC for the rental of towercranes has commenced operation in May 2009. Our alliance with Tat Hong, one of the largest towercrane rental companies in the PRC, will strengthen our market presence and diversify our income stream through towercranes rental business in the PRC.

The Group will continue to monitor the economic situation, and evaluate and refine its strategy in its various markets accordingly.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? Yes

Name of Dividend	Final
Dividend Type	Cash
Amount per Share (in Singapore cents)	0.5 cents per ordinary share
Tax Rate	Not applicable

For the year ended 31 March 2009, Directors have recommended a Final one-tier dividend of 0.5 Singapore cent per share for approval at the Annual General Meeting to be held on 27 July 2009. Based on current number of shares of 443,750,000 ordinary shares, total dividend payable amounted to S\$2,218,750.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Yes

Name of Dividend	Final
Dividend Type	Cash
Amount per Share (in Singapore cents)	1.0 cents per ordinary share
Tax Rate	Not applicable

(c) Date payable

To be advised at a later date

(d) Books closure date

To be advised at a later date

12. If no dividend has been declared/recommended, a statement to that effect.

Not applicable

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT*(This part is not applicable to Q1, Q2, Q3 or Half Year Results)***13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

Segmental information is presented in respect of the Group's geographical segments. In presenting information on the basis of geographical segments, segment revenue and trade receivables are based on the geographical location of customers. Segment information by business segments is not presented as the Group's business relates solely to the manufacture and sales of tower cranes and tower crane components.

Revenue	Middle East, Asia & Others (excluding PRC) RMB'000	USA & Europe RMB'000	PRC RMB'000	Consolidated RMB'000
FY2009				
Q4	13,787	1,510	54,200	69,497
Full Year	259,494	104,797	230,176	594,467
FY2008				
Q4	84,378	34,722	70,460	189,560
Full year	281,888	207,751	163,193	652,832

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

See paragraph 8.

15. A breakdown of sales and profit after taxation

	Group		
	RMB'000		%
	FY2009	FY2008	Increase/ (Decrease)
Revenue			
- First Half	411,409	300,615	36.9
- Second Half	183,058	352,217	(48.0)
Profit after taxation			
- First Half	62,825	68,325	(8.0)
- Second Half	(15,874)	54,166	NM

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-

	Latest Full Year (S\$)	Previous Full Year (S\$)
Ordinary	4,437,500	1,000,000
Preference	-	-
Total:	4,437,500	1,000,000

17. Interested Party Transactions

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)				Aggregate value of all interested person transactions conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)			
	3 months ended 31 Mar 2009 (Q4 FY2009) RMB'000	3 months ended 31 Mar 2008 ⁽¹⁾ (Q4 FY2008) RMB'000	12 months ended 31 Mar 2009 (FY2009) RMB'000	12 months ended 31 Mar 2008 ⁽¹⁾ (FY2008) RMB'000	3 months ended 31 Mar 2009 (Q4 FY2009) RMB'000	3 months ended 31 Mar 2008 (Q4 FY2008) RMB'000	12 months ended 31 Mar 2009 (FY2009) RMB'000	12 months ended 31 Mar 2008 (FY2008) RMB'000
Sales to related parties								
Shanghai Tat Hong Equipment Rental Co., Ltd (上海达丰机械租赁有限公司)	-	10,993	-	12,946	1,208	16,297	27,236	16,297
China Nuclear Huaxing Tat Hong Machinery Construction Co. Ltd (中核华兴达丰机械工程有限公司)	-	2,708	-	18,968	22,388	41,253	69,623	41,253
Purchases from related parties								
Fushun Yongmao Engineering Machinery Co., Ltd (抚顺永茂工程机械有限公司)	-	-	-	6,527	-	-	-	-
Beijing Yongmao Jiangong Machinery Manufacturing Co., Ltd (北京永茂建工机械有限公司) ⁽²⁾	-	23,649	-	100,793	-	58,889	147,892	58,889
Property, plant and equipment purchased from a related party								
Fushun Yongmao Engineering Machinery Co., Ltd (抚顺永茂工程机械有限公司)	-	-	-	2,000	-	-	-	-
Intangible assets purchased from a related party								
Fushun Yongmao Engineering Machinery Co., Ltd (抚顺永茂工程机械有限公司)	-	-	-	1,000	-	-	-	-
Rental charged by a related party								
Fushun Yongmao Engineering Machinery Co., Ltd (抚顺永茂工程机械有限公司)	2,100	-	4,800	-	-	-	-	-

Note (1): The Shareholders' Mandate for interested person transaction commenced from 31 January 2008 (the date of Prospectus). Therefore, transactions incurred prior to 31 January 2008 which are above S\$100,000 are not considered as incurred under Shareholders' Mandate.

Note (2): On 9 January 2009, the Group acquired 66% of the registered capital of Beijing Yongmao. Consequently, Beijing Yongmao is now a subsidiary of the Group and ceased to be a related party to the Group on that date.

BY ORDER OF THE BOARD

Tian Ruo Nan
Chief Executive Officer
26 May 2009